
BUSINESS MANAGEMENT AGREEMENT

BETWEEN

IMPERIAL GINSENG PRODUCTS LTD.

AND EACH OF

ELCYC HOLDINGS LTD.

AND

CANTERRA CAPITAL CORP.

BUSINESS MANAGEMENT AGREEMENT

THIS AGREEMENT is dated for reference the 6th day of January, 2020.

BETWEEN:

IMPERIAL GINSENG PRODUCTS LTD.

Suite 3030 – 650 West Georgia Street, Vancouver, British Columbia
(hereinafter called the “**Company**”)

AND EACH OF:

ELCYC HOLDINGS LTD.

9 – 4020 21 Street NW, Edmonton, Alberta

and

CANTERRA CAPITAL CORP.

Suite 3030, 650 West Georgia Street, Vancouver, British Columbia

(hereinafter together called the “**Operator**”)

WHEREAS Knightswood Holdings Ltd. (“**Holdings**”) is a wholly owned subsidiary of the Company with the Company holding 100 common shares, being all the issued and outstanding common shares, of Holdings (the “**Shares**”);

AND WHEREAS Holdings holds a direct equity interest in several companies (the “**Investee Companies**”);

AND WHEREAS the Company wishes to engage the Operator to operate the business of Holdings, including overseeing the holding and administration of the Investee Companies.

NOW THEREFORE in consideration of the representations, warranties, covenants and agreements hereinafter set forth and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties hereto agree as follows:

1. INTERPRETATION

1.1. Definitions

Where used herein or in any amendments hereto, the following terms shall have the following meanings respectively:

“**Agreement**” means this agreement and the expressions “hereof”, “herein”, “hereto”, “hereunder” or “hereby” and similar expressions refer to this Agreement;

“**IC Contracts**” means the contracts entered into between Holdings and each Investee Company;

“**Laws**” means all federal, provincial, municipal and local laws, statutes, by-laws, rules, regulations, orders, directives, judgments, decrees, codes, policies, instructions, guidelines and ordinances of any governmental entity or other Persons having authority over any of the parties hereto or the property of the Company and all applicable common law;

“**Material Breach**” means, with respect to the Company:

- (a) a material breach or non-performance by the Company of any covenant or obligation contained in this Agreement;

- (b) any order made by a securities regulatory authority to halt, cease or suspend the list of or trading in the securities of the Company;
- (c) the Company ceases, for any reason, to be listed on a designated stock exchange, as contemplated in the *Income Tax Act* (Canada) (a “DSE”), or enters into or announces its intention to enter into any agreement, transaction or arrangement which could result in the Company ceasing to be listed on a DSE;
- (d) the Company passes any resolution or any order is made for its winding-up or dissolution;
- (e) any arrangement or compromise is proposed by the Company or any of its creditors or to any class of creditors under bankruptcy, insolvency or similar legislation;
- (f) a receiver or receiver-manager is appointed for the Company or over any material part of its assets or properties;
- (g) an event, change in law or regulation or other occurrence of any nature which, in the opinion of the Operator, acting reasonably, could affect the Company’s ability to maintain its listing on a DSE;

and provided the Operator has given the Company at least 60 days notice to rectify or cure such breach or non-performance and the same has not been rectified or cured in such 60 days;

“**Parties**” means the Company and the Operator, and a “**Party**” means any of them;

“**Person**” is to be interpreted broadly and includes any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative or governmental entity however designated or constituted;

“**Representatives**” means in relation to a Party its respective officers, directors, employees, financial advisors, legal counsel, representatives or agents;

“**Services**” has the meaning ascribed thereto in Section 2.2;

“**Term**” has the meaning ascribed thereto in Section 5.1.

2. SERVICES

2.1. Performance by the Operator

During the Term, the Operator shall perform the Services for and on behalf of the Company. Performance of the Services will be carried out at the complete discretion of the Operator; provided that the Company retains the right and authority to oversee the execution of the Operator’s provision of the Services.

2.2. Services

For the purposes of this Agreement, “**Services**” shall be defined as follows:

- (a) the administration of all of Holdings’ business and affairs; including maintaining Holdings’s corporate existence in good standing, ensuring all expenses are paid in a timely manner, collecting and depositing all funds under IC Contracts;
- (b) fulfilling and performing all of Holdings’ (and the Company’s) duties and obligations under the IC Contracts;
- (c) monitoring and ensuring all of Holdings’ (and the Company’s) rights under the IC Contracts are protected;

- (d) monitoring and ensuring all of the Investee Companies are complying with the terms and conditions of the IC Contracts;
- (e) marketing and promotion of Holdings' business, with a view to expanding the number of Investee Companies held by Holdings; and
- (f) undertaking all activities reasonably required to be performed by the Company and Holdings to ensure the Company and Holdings remain in compliance with the IC Contracts.

2.3. Standard of Care

The Operator shall perform the Services in a professional and workmanlike manner. All work shall be diligently and carefully performed in accordance with sound corporate and applicable industry standards and practices and shall conform to all applicable Laws and the terms and provisions of the IC Contracts.

2.4. Reporting

Upon request by the Company, all of the Operator's activities in performing the Services will be summarized in written quarterly reports to be provided to the Company within 60 days of each calendar quarter end.

3. **EXPENSES AND FEES**

3.1. Fees

As its sole fee hereunder, the Operator will be entitled to all the cash surplus in Holdings after an annual fee of \$50,000, payable quarterly by Holdings to the Company on the last day of each calendar quarter (the "**Fixed Fee**"). Except as described in Section 3.4, the Company acknowledges and agrees that the Fixed Fee will be the only amount paid to, or which can be claimed by, the Company from Holdings.

3.2. Company Not to Advance Funds

The Company will be under no obligation to advance any funds to Holdings during the term of this Agreement; it being the understanding that Holdings will be self-sufficient and earn sufficient funds under the IC Contracts to meet its expenses on an on-going basis. Similarly, (i) the Company will be under no obligation to advance funds to cover any expenses incurred by the Operator, and (ii) neither Holdings nor the Operator will be under any obligation to advance funds or pay dividends to the Company (other than as expressly contemplated under Section 3.1).

3.3 Accounting

The Operator will continue to manage Holdings and the IC Contracts on the basis that neither the Company nor Holdings will have control, within the meaning of the current accounting standards, of the Investee Companies such that financial statements of the Investee Companies will not be required to be consolidated with the Company's nor Holdings' financial statements. If requested by the Company, the Operator shall provide to the Company a quarterly accounting of Holdings' business, including financial reporting as required, in a manner that will allow the Company to prepare and file its financial statements on a timely basis. If necessary, the Operator will provide the Company's auditors with access to Holdings' financial statements and records in order for such auditors to complete their audit of the Company.

3.4 Additional Costs

The Operator agrees that Holdings will reimburse the Company for any additional legal or auditing expenses incurred by the Company with respect to holding the Shares of Holdings or the business activities of Holdings.

4. CONFIDENTIALITY

4.1. Access to Information

In order to enable each party to perform its obligations hereunder, each will provide the other with any information reasonably required by such party to carry out its duties herein.

4.2. Confidentiality

The Operator agrees to keep confidential all information and material provided to the Operator by the Company and Holdings. The Operator and its Representatives shall not, either during the Term or at any time thereafter divulge, publish or otherwise reveal either directly or indirectly or through any Person, the private or confidential affairs or secrets of the Company to any third party. In addition, the Operator shall not, without the written consent of the Company either during the continuance of this Agreement or at any time thereafter use, directly or indirectly, for the Operator's own purposes or any purpose other than those of the Company and Holdings any information the Operator may acquire in relation to the business and affairs of the Company and Holdings.

4.3. Exceptions

Section 4.2 shall not apply to any information that: (a) is part of the public domain at the time it made known to the Operator or its Representatives; (b) is made known to the Operator or its Representatives without an obligation of confidentiality by a third party who did not acquire knowledge of the details, either directly or indirectly, under an obligation of confidentiality to the Company; (c) after it is made known to the Operator or its Representatives, becomes part of the public domain through no fault, act or omission of the Operator or of any party to whom the Operator has properly disclosed details of any information.

5. TERM AND TERMINATION

5.1. Term

This Agreement shall, unless terminated earlier as provided herein, continue in force for so long as the Company holds all the Shares of Holdings, but in any event will terminate upon the expiry of five years from the date of this Agreement (the "**Term**").

5.2. Termination

This Agreement shall automatically terminate upon the expiry of the Term, but may be earlier terminated as follows:

- (a) written agreement of the Parties to terminate this Agreement;
- (b) by the Company by providing at least 60 days written notice to the Operator;
- (c) by the Operator by providing at least 60 days written notice to the Company; or
- (d) by the Company by providing written notice to the Operator in the event that there has been a material breach or non-performance by the Operator of any covenant or obligation contained in this Agreement which directly results in the Operator being in material breach or default of an IC Contract, provided the Operator has been given notice of 60 days in which to cure any such breach or non-performance.

5.3 The Shares

Whenever this Agreement expires, either by the expiration of the Term or pursuant to any clause in Section 5.2 of this Agreement, the Company will sell, and the Operator will purchase, all of the Shares of Holdings for a total price of \$10. Upon such payment being duly made, the Company will transfer to the Operator all of the Company's right, title and interest in Holdings (including the Shares) and any other contractual interest then held by the Company.

5.4 Assignment of the Shares

At the time of the purchase of the Shares pursuant to Section 5.3 of this Agreement the Operator may, at its option, assign the Shares to another party (the "Assignee") and such assignment will not be contested by the Company. The designated Assignee shall acquire the Shares free and clear of all liens, charges and encumbrances whatsoever.

5.5 Effect of Termination

Unless the Parties otherwise agree, the obligations of the Parties hereunder, with the exception of the obligations of the Parties in Sections 4, 6 and 7 hereto, which shall survive this Agreement, shall terminate upon any termination of this Agreement provided, however, that any such termination shall not prejudice the rights of a Party as a result of a breach by the other Party of its obligations hereunder.

6. **INDEMNIFICATION OF THE PARTIES**

6.1. Indemnification by the Operator

The Operator agrees to release, defend and indemnify and hold harmless the Company and its Representatives from and against any and all liabilities and against all Proceedings and costs and expenses (including those for reasonable legal fees) resulting therefrom directly relating to the Operator's provision of the Services, except those claims arising out of and to the extent of any fraud, gross negligence, reckless or wilful act or omission on the part of the Company or default by the Company in the performance of any of its obligations hereunder.

7. **RELATIONSHIP OF THE PARTIES**

7.1. No Partnership

Nothing contained in this Agreement shall be deemed to make or constitute any Party the partner of the others or, except as otherwise herein expressly provided, to make or constitute any Party the agent or legal representative of the other, or to create any fiduciary relationship whatsoever between them. The Parties do not intend to create, and this Agreement shall not be construed to create, any partnership. No Party, nor any of its Representatives shall act for or assume any obligation or responsibility on behalf of the other Party, except as otherwise expressly provided herein. The Operator shall not hold itself out in any way as binding the Company and the Operator shall have no power to the bind the Company or create any liability against the Company.

7.2. Other Business Opportunities

Except as expressly provided in this Agreement, each Party shall have the right to engage in and receive full benefits from any independent business activities or operations, whether or not competitive with the business of Holdings or the transactions contemplated by this Agreement, without consulting with, or incurring any obligation to, the other Party. The doctrines of 'corporate opportunity' or 'business opportunity' shall not be applied to this Agreement or to any other activity or operation of any other Party.

8. MANAGEMENT OF HOLDINGS

8.1. Management

The Company and the Operator acknowledge and agree that, other than as specifically set forth in this Agreement:

- (a) The Company has no rights, power, ability or obligation to direct the activities of Holdings or in any way affect its financial returns and is not and shall not be involved in any of the day to day affairs, decision making, management or activities of Holdings;
- (b) The Operator is solely responsible for managing the business operations and financial affairs, making decisions and setting out policies of Holdings;
- (c) The Company does not and will not commit management or resources to Holdings;
- (d) The Company does not have any right to any variable financial returns from the activities of Holdings and for clarification purposes, the Company shall only be entitled to the Fixed Fee, as hereinafter defined, for holding the Shares of Holdings; and
- (e) The Company shall not hold itself out in any way as binding Holdings or the Operator and the Company shall have no power to bind Holdings or create any liability against Holdings.

8.2. Share Capital

During the Term of this Agreement the Company agrees that it will maintain Holdings as a wholly-owned subsidiary and the Company shall not consolidate, subdivide, increase or otherwise alter the share capital of, or allot or issue any further shares in the capital of Holdings during the term of this Agreement without the prior written consent of the Operator, which consent may be arbitrarily or unreasonably withheld.

8.3. Prohibitions on Transfers

The Company shall not sell, transfer, assign or otherwise dispose of or offer to sell, transfer, assign or otherwise dispose of or grant any right, option or warrant to purchase any of the Shares, to any Person.

8.4. Prohibitions on Charging

The Company shall not mortgage, pledge, charge, hypothecate or otherwise encumber the Shares without the prior written consent of the Operator, which consent may be arbitrarily or unreasonably withheld.

8.5. Endorsement on Share Certificates

The Company and the Operator acknowledge and agree that there shall be legibly stamped or endorsed upon the certificate representing the Shares a statement as follows:

“The shares represented by this certificate may be transferred only in accordance with and pursuant to the terms of a management agreement between Imperial Ginseng Products Ltd., and each of ELCYC Holdings Ltd. and Canterra Capital Corp. dated the 6th day of January, 2020.”

9. GENERAL

9.1. Address of Parties and Manner of Giving Notice

Any notice or waiver or other document required or permitted to be given hereunder shall be in writing and may be given by delivering via personal delivery or via electronic mail transmission to the applicable address first written above. Any notice, waiver, direction or other instrument aforesaid if delivered shall be deemed to have been given on the date on which it was delivered and in the case of electronic mail transmission, on the Business Day following the day it was sent. Either party may change their address for service from time to time by notice given in accordance with the foregoing.

9.2. Assignment

This Agreement shall enure to the benefit of and be binding upon the respective Parties and their respective successors and assigns. This Agreement may not be assigned by the Company without the prior written consent of the Operator, which consent may be arbitrarily or unreasonably withheld.

9.3. Entire Agreement; Modification

This Agreement constitutes the entire agreement between the parties hereto with respect to the transactions provided for herein. There are no oral agreements or understandings between the parties hereto not reflected in this Agreement. This Agreement may not be amended or modified in any respect except by written instrument executed by each of the parties hereto. This Agreement supersedes all other agreements between the parties with respect to the subject matter hereof.

9.4. Waiver

No waiver by any Party shall be effective or binding upon such party unless the waiver shall be expressed in writing signed by such Party, and any waiver so expressed shall apply only to the matter so waived and not to any additional, continuing or subsequent matter of the same or different kind.

9.5. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia which shall be deemed to be the proper law hereof. The courts of the Province of British Columbia shall have jurisdiction to entertain and determine all disputes and claims, whether for specific performance, injunction, declaration or otherwise both at law and in equity, arising out of or in any way connected with the construction, breach, or alleged, threatened or anticipated breach of this Agreement, and shall have jurisdiction to hear and determine all questions as to the validity, existence or enforceability thereof.

9.6. Further Assurances

The Parties hereto shall with reasonable diligence do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated hereby, and each Party hereto shall provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

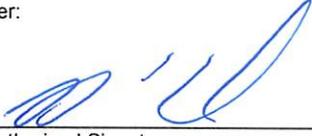
9.7. Counterparts

This Agreement may be executed in two or more counterparts each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement. A counterpart signed by a Party hereto and transmitted by facsimile or electronic PDF shall have the same effect as a counterpart originally signed by such party, provided such Party shall forthwith deliver to the other Parties hereto a counterpart originally signed by such Party.

IN WITNESS WHEREOF the parties have executed this Agreement by the hands of their respective duly authorized signatories as of the day and year first above written.

IMPERIAL GINSENG PRODUCTS LTD.

Per:



Authorized Signatory

ELCYC HOLDINGS LTD.

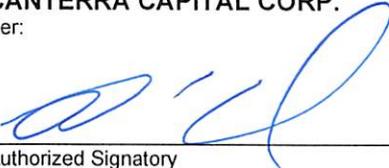
Per:



Authorized Signatory

CANTERRA CAPITAL CORP.

Per:



Authorized Signatory